



Amy G. Rabinowitz  
*Counsel*

December 12, 2002

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

**Re: D.T.E. 02-70**

Dear Secretary Cottrell:

I am enclosing the responses of Massachusetts Electric Company and Nantucket Electric Company to the Department's information requests in this proceeding.

Thank you very much for your time and attention to this matter.

Very truly yours,

Amy G. Rabinowitz

cc: John Craven, Hearing Officer  
Joseph Rogers, Office of the Attorney General

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Massachusetts Electric and Nantucket Electric Company  
D.T.E. 02-70  
DTE Information Requests

DTE 1-1

Request:

Please refer to Department order, Massachusetts Electric, DTE 01-92, MECO's petition for approval of calendar year ("CY") 2002 RCS program budget, where the Company's RCS budget was \$2,981,650. The Company's budget in the current filing is \$3,642,350, representing an approximately 22% increase from the previous year. Explain the reasons for this increase.

Response:

The proposed CY 2003 budget of \$3.6 million includes a doubling of the funding for the energy efficiency incentives for customers as compared to the CY2002 budget. The Company proposes to increase the number of customers receiving energy efficiency incentives and implementing energy conservation measures.

Massachusetts Electric and Nantucket Electric Company  
D.T.E. 02-70  
DTE Information Requests

DTE 1-2

Request:

Please provide information pertaining to the following:

- a. The CY2000, CY2001, CY2002 budgets and corresponding actual expenditures for the *EnergyWise* program.
- b. The Department-approved CY2000, CY2001, and CY2002 budgets and corresponding actual expenditures for the RCS program,
- c. Detail how the *EnergyWise* program and its budget relate to the RCS CY2003 program and its budget.

Response:

Please see the attached chart DTE1-2 for the information requested in parts a and b above.

In 2003, the *EnergyWise* budget will provide services to tenants and owners of multifamily buildings with no relationship to the RCS program. Additionally, the *EnergyWise* program has budgeted \$300,000 to cover additional electric savings measures that will be delivered as a piggyback to the RCS program. Savings and spending for these measures will be captured as part of the *EnergyWise* program. This allows the Company to continue to offer cost-effective electric measures, even though the service delivery will be provided through the RCS program. Piggybacked measures will include incentives for ENERGY STAR lighting fixtures, timers, and appliance usage diagnostic services. These services are not currently approved under the RCS program.

Prepared by or under the supervision of: Laura G. McNaughton

## DTE 1-2

Budgets and actual expenditures, RCS and EnergyWise programs								
Program	CY2000	CY2000	CY2001	CY2001	CY2002	CY2002	CY2003	
	BUDGET	Actual	BUDGET	Actual	BUDGET	Actual	BUDGET	
RCS	\$1,720,000	\$1,525,000	\$3,503,000	\$2,343,000	\$2,981,650	NA	\$3,642,350	
EnergyWise	\$5,837,000	\$4,848,000	\$5,166,000	\$5,964,000	\$4,019,400	NA	\$5,000,000	proposed

Massachusetts Electric and Nantucket Electric Company  
D.T.E. 02-70  
DTE Information Requests

DTE 1-3

Request:

Please provide actual and projected participation rates for the RCS (Massachusetts HomEnergy Services) program for 2000, 2001, 2002, and 2003. Please include the eligible population for these services.

Response:

Please see the attached chart DTE 1-3.

Prepared by or under the supervision of: Laura G. McNaughton

DTE 1-3

Actual and projected participation rates for the RCS program

	2000	2001	2002	2003
	Actual	Actual	Projected	Projected
RCS Participation	11060	10999	6000	6500
Target Population	864329	864329	731278	734537
Participation Rate	1.28%	1.27%	0.82%	0.88%

Note: low income customers are referred to services through the Low-Income Energy Affordability Network

The difference in target population is based on eligibility for LEAN services, which has increased from 200% of poverty to 60% of the median income.

Massachusetts Electric and Nantucket Electric Company  
D.T.E. 02-70  
DTE Information Requests

DTE 1-4

Request:

Please describe the basis for the Company's CY2003 RCS Budget. Are the estimates based on those amounts approved or expended from CY2002? If such estimates were used, does the Company contend that the estimates provided for CY2003 are reasonable? Explain.

Response:

The estimates for the CY2003 RCS budget are based on the trend of increasing the number of customers who receive energy efficiency incentives, based on the experiences of CY2002. As noted in DTE-1, the budget difference between the two years is explained by the increase in energy efficiency incentives in CY2003 relative to CY2002.